
Executive Summary

Introduction

This document is the third Annual Performance Plan prepared by the Department of Commerce as required by the Government Performance and Results Act (GPRA). It reflects continued progress in refining the Department's response to the challenges of moving to results-oriented performance management as a practical reality in the fulfillment of the Department's mission to serve the American people.

The Department's first Annual Performance Plan (FY 1999) proved to be a difficult challenge for a department with such a diverse range of responsibilities and programs. Like other departments and agencies mandated to comply with GPRA, the Department of Commerce received valuable constructive criticism of that first Performance Plan from Congress, the General Accounting Office, and many other stakeholders.

The Department's second Annual Performance Plan (FY 2000) reflected a commitment by Commerce to respond to constructive criticisms of the prior year Plan as well to incorporate the best ideas and practices in performance management that were being developed within the entire public administration professional community. As a consequence, the Department's focus and commitment produced a gratifying result. The Department of Commerce's FY 2000 Annual Performance Plan received the highest score of any department or agency in the review undertaken by the House of Representatives.

This year's Plan again represents a dedicated commitment by the Department of Commerce to continue the refinement and improvement of our response to GPRA requirements. Specifically, Commerce has focused its attention on the following areas of improvement in this document:

- Increased specificity of performance goals, measures and targets where necessary;
- Improved presentation of budget data regarding budgetary resources associated with performance goals;
- Expanded discussion of coordination of crosscutting efforts;
- Elaboration of the linkages between strategies and resources with the achievement of annual goals and performance targets;
- Presentation of mitigation strategies for the effects of identified external factors; and
- Description of efforts to verify and validate performance data and to assess the implications of known performance data limitations.

Following the Executive Summary, the FY 2001 priorities and initiatives of the Department of Commerce will be described in summary form. Details of these priorities and initiatives may be found in the FY 2001 President's Budget document and the Department's Budget in Brief. After the Priorities and Initiatives section of the Plan, bureau by bureau presentations will set forth all of the Performance Goals and measures for the Department of Commerce for FY 2001. Finally, significant management challenges for the Department of Commerce in FY 2001 will be reviewed. The Appendices provide additional information for reference.

The Department of Commerce's Service to America

Mission Statement

The Department of Commerce promotes job creation and improved living standards for all Americans through economic growth, technological competitiveness and sustainable development.

Organization

The Department of Commerce touches Americans' lives every day. We make possible the weather reports that are heard every morning; we facilitate the technology that is used in the workplace and in the home; we develop statistics that are used by both the public and private sectors in making important policy and business decisions; and we support the environmental and economic health of American communities.

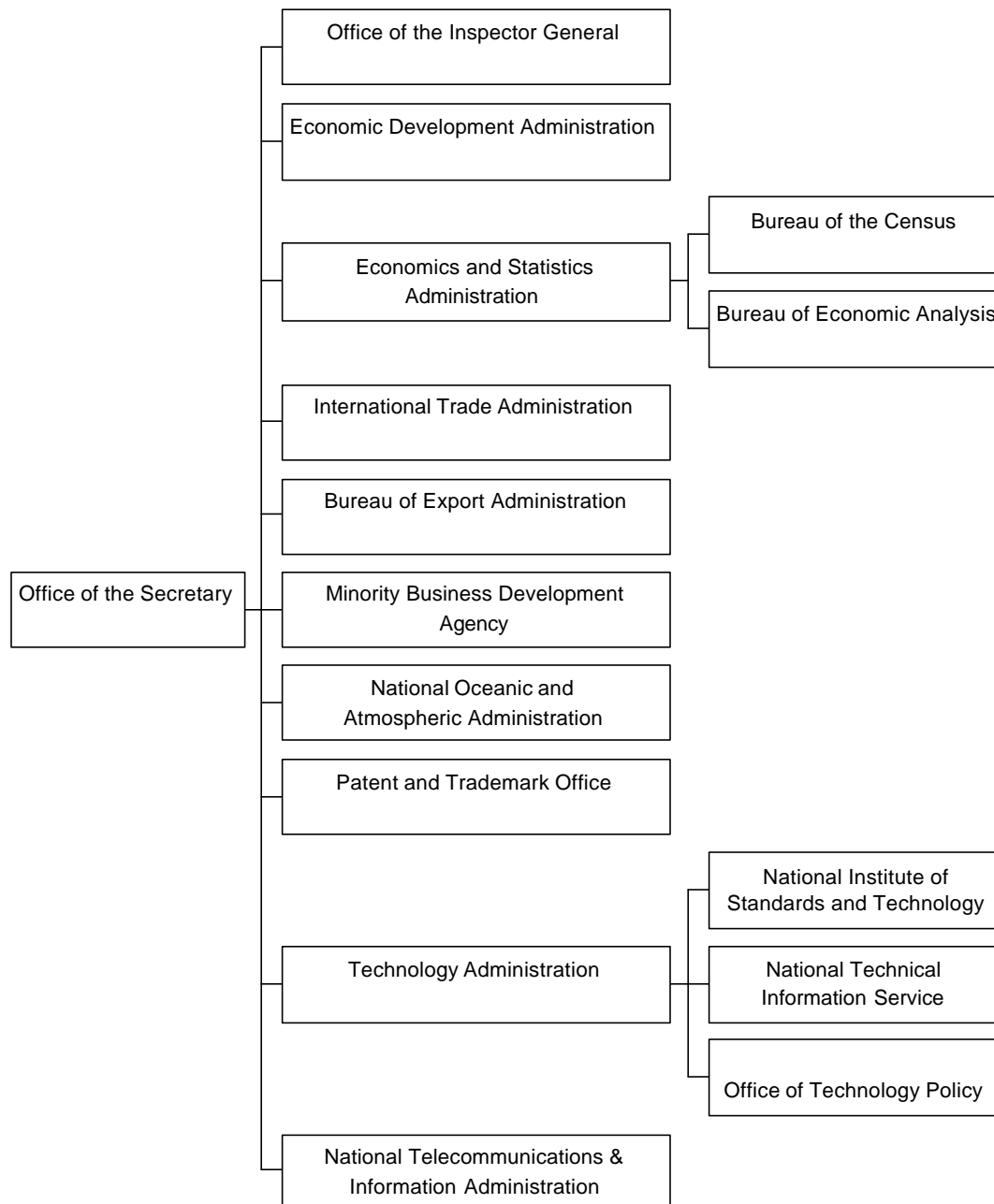
The Department of Commerce provides leadership to the Nation in civilian technology, trade promotion, economic development, sustainable development, and economic analysis. These programs serve our country's businesses, communities, and families, and we are dedicated to making Commerce programs and services as effective as possible.

New challenges, however, demand new responses. In agencies throughout the Department, technological innovation is spurred by modernization programs that will probe deeper into the ocean, higher into the sky and bring world markets closer together in the years ahead.

A product of the industrial revolution which propelled the United States into the 20th century, the Department of Commerce is at the forefront of the technological revolution in electronic commerce ushering the 21st century. The Department of Commerce will help make the United States the continuing leader in the world marketplace.

Organizational Structure

The Department's mission is carried out by nine major agencies depicted in the following organization chart:



In the spirit of Commerce being the digital department, more detailed information about the Department's organization, programs and budget can be found conveniently at <http://www.doc.gov>.

Our Goals

The Department of Commerce undertakes its strategic planning and goal setting within the framework of the Government Performance and Results Act (GPRA). With the publication of the first Annual Program Performance Report in March 2000, the Department will have completed the first full cycle of GPRA-mandated activities involving the Strategic Plan, the Annual Performance Plan and the Annual Program Performance Report. The next Commerce Strategic Plan will be submitted to Congress in September 2000 and it will replace the first Strategic Plan (FY 1997-2002) that was issued in September 1997.

Although the Department's performance goals set forth in the FY 2001 Annual Performance Plan are sound, well-conceived commitments to advance Commerce's service to America, the longer-term framework of strategic goals is going through a transition that will culminate in the revised Strategic Plan later this year.

The emerging new strategic goals for the Department of Commerce are in three areas related to the core Departmental mission of economic growth. Each will be summarized briefly in terms of the planning context of the early 21st century. Detailed objectives and strategies based upon these strategic goals will appear in the revised Strategic Plan later this year after extensive review and consultation with Commerce stakeholders.

Strategic Goal: Expand Economic Growth, Trade and Prosperity

This goal focuses on the traditional Commerce efforts of promoting domestic and foreign commerce with particular attention to the dynamics of the global marketplace taking place at the beginning of the 21st century. By February 2000, the American economy will have experienced the longest period of economic expansion in the Nation's history. The challenge of sustaining this remarkable expansion will be balanced with the need to increase the prosperity of all Americans regardless of their geographic location or ethnic origin.

Strategic Goal: Stimulate Innovation for American Competitiveness

Among experts on the future trends of the economy, there is an emerging consensus that the major driver of economic expansion in the 21st century will be the acceleration of technological change. The Chairman of the Federal Reserve Board estimates that approximately 70 percent of the current economic expansion is the result of technological advances. Nearly half of that has been spawned by information technology advances. Nurturing and channeling technological change in the economy is a primary Department of Commerce responsibility, and the challenge for the Department will be to mount a comprehensive campaign to use technological advances to increase American competitiveness in the global marketplace. The opportunities for the information industries and electronic commerce are staggering.

Strategic Goal: Advance Sustainable Economic Development

Like accelerating technological change, the natural environment has been identified as a driver for economic change in the 21st century. Unlike accelerating technological change, factors involving the natural environment may increasingly have negative or cost implications for the economy. While the late 20th century experienced a revolutionary public awakening to the need to protect nature from pollution and despoilation of modern society, it has become apparent that society must increasingly learn to protect itself from the natural environment. Traditional pollution control and conservation strategies must be increasingly joined with parallel efforts to reduce social and economic costs of hazards from the natural environment such as floods, droughts and hurricanes. To the world of the 21st century, sustainable economic development will require society to learn new ways to balance and manage its reciprocal relationship with the natural environment: what society does to nature and what nature does to society. The Department of Commerce is uniquely positioned for leadership in this endeavor.

Highlights of the FY 2001 Annual Performance Plan (APP)

The FY 2001 APP includes the Clinton-Gore Administration's and Secretary William M. Daley's priorities and initiatives. The following priorities and initiatives serve as guideposts to gauge the performance of Commerce's most critical programs.

- Moving Our Economy Into the 21st Century by Accelerating the Transition to Electronic Commerce
- Ensuring All of America Benefits From Our Prosperity
- Building a New Consensus on Globalization
- Protecting Our Environment While Growing Our Economy by Strengthening Our Natural Resources Infrastructure
- Establishing Safeguards Against Unconventional National Security Threats
- Addressing Critical Construction Needs
- Enhancing the U.S. Statistical Infrastructure
- Assisting Public Broadcasting Digital Conversion

Linking the key programs of individual Commerce bureaus to the priorities and initiatives reinforces the Department's core mission and creates new opportunities for increased performance. This is especially important during periods of increasingly rapid and frequent change in our society, in our economy, and in science and technology—placing greater demand on the vital resources the Department manages. Each Commerce bureau is well-positioned to help improve the quality of life, whether that entails producing more timely and accurate weather forecasts or weighing commercial and national security interests in decisions about exporting new technologies.

Encompassing the Department's many disparate functions, the priorities and initiatives represent significant actions by the Secretary and his leadership team to move the Department in the direction of a more integrated organization. The FY 2001 APP, developed pursuant to the Government Performance and Results Act and integrated with the budget process, is the product of efforts to establish a more effective strategic planning and performance management process within the Department. The Commerce strategic planning and performance management approach, which recognizes unique organizational cultures and the stakeholders of each of the Commerce bureaus, will drive a Commerce-wide effort to continue to improve the integration of activities and enhance performance and accountability.

Commerce Bureaus, the Department's Strategic Goals, and the Priorities and Initiatives

In support of the Department's goal to expand economic growth, the **Economic Development Administration's (EDA)** goals are to create jobs and private enterprise in distressed communities and to build local capacity to achieve economic growth. Since its establishment under the Public Works Act of 1965, EDA has confronted and responded to many challenges to the industrial and commercial growth of distressed communities in the United States.

Today, rapidly changing production, trade patterns, and technology threaten certain communities. EDA's highly flexible programs for public infrastructure, planning, technical assistance, and research allow the Department of Commerce to respond strategically to the specific conditions of disenfranchised areas in order to expand industrial and commercial growth. EDA works through a nationwide network now comprising 320 Economic Development Districts (EDDs), 64 Indian tribes, 69 University Centers, and 12 Trade Adjustment Assistance Centers (TAACs). EDA focuses on supporting local planning and long-term partnerships with State and local organizations that can assist distressed communities with strategic planning and investment activities.

For example, EDA helps mitigate the impact of natural disasters on communities by helping them to move businesses from disaster-prone areas to safe locations. EDA is able to go into communities struck by natural disaster and begin assistance immediately rather than waiting until emergency supplemental funds are approved.

By maintaining a reliable Federal statistical system that readily monitors and measures economic activity and social trends, the **Economics and Statistics Administration (ESA)** helps National, State, and local governments and other institutions make smart decisions that can improve the American standard of living. Our Nation's ability to respond to domestic and international developments that affect our economic vitality depends on a world-class information base and the cutting-edge technology that makes it accessible. In this capacity, ESA oversees the **Census Bureau** and the **Bureau of Economic Analysis (BEA)**. ESA also operates STAT-USA, a user-friendly "one-stop shop" for the dissemination of business, economic, and trade statistics.

As the prime gatherer and purveyor of data on our population and our economy through surveys, censuses, and special studies, the Census Bureau is committed to accuracy, timeliness, relevancy, and efficient service. The Bureau's strategy to improve data quality and timeliness includes the use of state-of-the-art digital capture technology, simplifying questionnaires, increasing the follow-up rate on nonrespondents, and working in partnership with the U.S. Postal Service to improve address files. In FY 2001, electronic commerce will also ease the reporting burden for businesses, contributing to the statistics available for planning purposes.

The Secretary intends Census 2000 to be the most complete and accurate decennial census ever—executed at the lowest possible cost to the taxpayer. Supporting a successful Census 2000 is one of the elements of the Secretary's management strategy for the Department.

As the Nation's accountant, BEA combines and transforms extensive data from government and private sources to produce a consistent and comprehensive picture of economic activity, featuring the key summary measure known as gross domestic product. In addition, BEA's estimates of regional product and income are used in the allocation of Federal grants to states.

In the area of the statistical infrastructure, BEA will work to resolve measurement discrepancies due to changes in the economy and incomplete or obsolete data by expanding and updating the coverage of key areas, including rapidly evolving industries.

In an increasingly global economy, the role of exports in sustaining a robust economic infrastructure continues to grow. Exports support over eleven million American jobs, and in the past several years, generated over two million new jobs. In recent years, export-related jobs grew about six times faster than total employment, paying wages fifteen percent higher than the average U.S. wage. The competitive nature of the global marketplace raises the bar of challenges for the **International Trade Administration (ITA)** in leveling the playing field for U.S. businesses abroad and helping remove tariff and nontariff barriers to trade. Toward this end, ITA will carry out the Secretary's Broadening Trade initiative by breaking into new and underserved international markets, while expanding the export support of small- and medium-sized businesses. ITA's goals are to enforce U.S. trade laws and agreements to promote free and fair trade, increase the number of small business exporters, and open key emerging markets, especially Africa, Latin America, and Asia.

Much of the success of the Commerce trade initiatives rests on the expansion of the U.S. and Foreign Commercial Service's (US&FCS) outreach efforts to small- and medium-sized enterprises (SMEs) to help them unleash their export capacity. The U.S. Export Assistance Centers (USEACs) perform the valuable service of educating and assisting SMEs and helping export-ready firms in need of technical assistance. Electronic commerce and the Internet are other vehicles to increase export opportunities for SMEs.

Implementing an aggressive trade compliance program to aid U.S. companies in achieving the full benefits of trade agreements is another key component of ITA's strategy. The Trade Compliance Center (TCC) monitors approximately 250 trade agreements and helps identify possible violations. By compiling data on access problems and outcomes, ITA can measure the dollar value of opening world markets to U.S. exports as a result of reducing or eliminating trade barriers. ITA also improves the competitiveness of domestic firms by enforcing U.S. trade laws and agreements regarding subsidies, unfair pricing, and other harmful foreign trade practices.

The Bureau of Export Administration (BXA) seeks to advance U.S. National security, foreign policy, and economic interests by regulating exports of critical goods and technologies that could be used to damage those inter-

ests (while furthering the growth of legitimate U.S. exports to maintain our economic leadership); by enforcing compliance with those regulations; by cooperating with like-minded nations to obtain global support for this effort; by assisting nations that are key exporters or transit points for sensitive good and technologies to strengthen their own transit and export controls; and by monitoring the U.S. defense industrial base to ensure it remains strong.

In housing the Critical Infrastructure Assurance Office (CIAO), established by Presidential Decision Directive 63, BXA also helps safeguard the interconnected systems that are necessary to the operations of our government and economy.

BXA is working to bring U.S. export controls in line with evolving U.S. national security and foreign policy objectives. Restructuring export controls for the 21st century will result in a relatively shorter dual-use commodity control list. Streamlining the application system for controlled items will help prevent illegal transactions and expedite the license processing cycle for U.S. companies. In addition, by rendering prompt decisions, BXA will strengthen the international competitive position of U.S. firms. BXA is also developing means to strengthen its law enforcement program and its efficiency as a regulatory agency. BXA takes a preventive approach to deter high-risk transactions. To reduce the number of potential license requests for unacceptable products, BXA will expand educational outreach to its stakeholders through visits, conferences, and seminars to heighten their understanding of export controls and, as a result, strengthen industry compliance. It will also conduct a greater number of on-site visits to end-users of selected goods to ensure that products are being employed in the authorized manner.

BXA will also increase the number of bilateral and multilateral nonproliferation and export control technical, executive, and educational exchanges it conducts with the governments of nations where there is a significant risk of export or transit of sensitive goods and technologies but which do not have fully competent export control systems. BXA will work to the extent of its resources to assist these nations to attain competence in all five functional areas of effective export control systems: legal and regulatory frameworks, licensing procedures and control lists, enforcement mechanisms, industry-government relations, and systems administration and automation.

Finally, BXA will facilitate the transition of defense industries to productive peacetime activities without compromising our technological leadership. At the same time, BXA will assist in promoting the continued viability of high-tech firms through the development of innovative product lines and new commercial avenues for former defense products.

Minorities account for 28 percent of the American population, but only 11 percent of business owners. Because of this fact, the central aim of the **Minority Business Development Agency (MBDA)** is to increase the participation of minorities in our Nation's commerce.

MBDA also advances the establishment and expansion of minority-owned businesses by identifying new domestic and foreign business opportunities. MBDA informs minority-owned businesses of these opportunities and assists these firms in taking advantage of such opportunities. This includes programs to increase access to the marketplace and capital through a number of vehicles. For example, MBDA provides management and technical assistance to over 8,000 firms annually via an electronic matching system over the Internet, Business Development Centers, and other resources. It promotes minority business lending through arrangements with financial institutions and mobilization of both private and public sector resources. MBDA also works to secure a fair share of representation for minority-owned businesses in all government-sponsored initiatives that promote U.S. business interests, including international trade missions.

The functions of the **National Oceanic and Atmospheric Administration (NOAA)** encompass many Commerce priorities. NOAA has the lead role in improving the means for detecting oncoming natural events with greater precision in order to save lives and property and minimize business disruption. In skillfully managing and protecting our Nation's assets and resources, NOAA plays a key role in the Natural Resources initiative by overseeing programs that expand knowledge and understanding of our land, water, and air. Protecting coastal habitats from loss and degradation, researching the effects of climate changes on the oceans and atmosphere, and promoting navigation are all objectives of this effort.

Programs within NOAA's National Marine Fisheries Service (NMFS) are designed to help build a sustainable fisheries environment. Improving current fish stocks and restoring the long-term employment and growth potential of

maritime industries are essential to our Nation's wealth and quality of life. The Natural Resources initiative also includes recovering protected species, preventing extinction, and maintaining healthy species through conservation programs that involve monitoring and research of species and the factors that affect their mortality. The success of all of this effort will be more attainable by integrating activities across five of NOAA's line and program offices.

NOAA also contributes to America's preparation for natural disasters by providing weather warnings and forecasts to the general public through the National Weather Service (NWS), conducting climate and weather research, and making historical and environmental data available for the public and private sectors. NOAA's products and services include short-term warning services and forecasts to increase lead times; newer and better data sets on seasonal-to-interannual time scales to produce climate forecasts to predict El Niño events with more accuracy; and improved decadal and centennial climate change assessments, especially for greenhouse warming, ozone layer depletion, and air quality.

Finally, NOAA's success in describing and predicting the changes in the earth's environment, and conserving our resources to ensure sustainable economic opportunity relies on cutting-edge research to develop new technologies, improve operations, and supply the scientific basis for managing natural resources and solving environmental problems.

In administering laws that grant and protect patents and trademarks, and in advising the Commerce Secretary, the President, and the Administration on intellectual property rights, the **Patent and Trademark Office (PTO)** plays a central role in America's economic growth.

Through its stewardship of our Nation's intellectual property, PTO influences investment, development and marketing strategies, and the financial viability of American businesses. PTO plays a central role in increasing the competitiveness of our technology-based economy by providing more effective service delivery as product life cycles become shorter. Timely issuance of patents and trademark registrations make all the difference for firms operating in fast-paced markets. Toward this end, PTO is committed to customer-oriented and results-driven performance through reduced average processing time of patents and trademarks, the automation of various patent and trademark activities, and the establishment of a fee schedule aligned with cost.

Through its provision of technical assistance and its expertise on trade-related property rights issues, PTO helps support the Secretary's trade initiatives. PTO contributes to the protection and expansion of intellectual property rights systems worldwide, vital to the development of the commercial infrastructure of developing economies and to promoting trade, through education and training on laws, regulations, and enforcement. It conducts international outreach and partners with other nations to help support these objectives.

Finally, improving communications, as part of a customer service focus, is integral to the goal of promoting awareness of and providing effective access to patent and trademark information. This relies on an advanced information dissemination base able to respond to users in a timely fashion, make information available, and transform the majority of processes into electronic operations. It includes the increased use of the Internet to request the status of applications and place orders, and to answer customer inquiries via e-mail.

PTO's program operations are revenue-generating and PTO is a self-sustaining agency that relies on external customer satisfaction. Similar to a private sector business, it conducts a number of transactions with the public directly and must become efficient enough to respond to private sector needs and a potentially growing market for its services. With this in mind, Congress approved legislation to transform PTO into a performance-based organization which will free PTO from certain federal restrictions and provide a clear mission, fiscal accountability, and outcome measurements.

The **Technology Administration (TA)** works with U.S. industry to maximize technology's contribution to U.S. economic growth. TA develops and disseminates measurement techniques, reference data, test methods, standards, and other types of infrastructural technologies and services required by U.S. industry to compete in the 21st century. TA also fosters the development, diffusion, and adoption of new technologies; assists small manufacturers; and promotes a business environment conducive to innovation.

TA includes the Office of the Under Secretary for Technology, which provides policy guidance to the Secretary of Commerce and the Technology Administration's component agencies and serves as an advocate for innovation and industrial competitiveness within and outside of government. Pursuant to this role, the Under Secretary also oversees the **Office of Technology Policy (OTP)** and **Office of Space Commercialization (OSC)**. TA also includes the **National Institute of Standards and Technology (NIST)**, which works with U.S. industry to address technology needs, delivering broadly useful results shared with U.S. industry to address technology needs, delivering broadly useful results shared among companies, industries, and consumers. In addition to its core measurement, testing, and standards functions, NIST also conducts three key extramural programs: the Advanced Technology Program, to stimulate the development of high risk, broad impact technologies by U.S. firms; the Manufacturing Extension Partnership, to help smaller businesses adopt new manufacturing and management technologies; and the Baldrige National Quality Program, to help U.S. business and other organizations improve the performance and quality of their operations by providing clear standards and benchmarks of quality.

TA plays a key role in several of the Secretary's initiatives and priorities for FY 2001: accelerating the transition to electronic commerce; expanding Commerce's partnerships with Minority Serving Institutions; establishing safeguards against unconventional national security threats; and addressing critical construction and base program needs.

The **National Telecommunications and Information Administration (NTIA)** maximizes the use of telecommunications and information resources in ways that create jobs, augment U.S. competitiveness, and raise the standard of living. NTIA's functions, increasingly complex in nature, include an important role in opening new markets and broadening trade.

To promote greater awareness, understanding, and access to technology, NTIA will accelerate the development and diffusion of public sector and nonprofit applications of Next Generation Internet (NGI) technologies and services. NGI is the Administration's multi-agency Federal research and development program to advance networking technologies. NTIA provides matching grants to non-profit organizations to build quality technological and information systems in areas that benefit communities, such as in health care, education, and public safety. It also assists public telecommunications facilities in converting to digital broadcasting.

NTIA manages the portion of the radio spectrum that is allocated for Federal use. It ensures that radio spectrum assignments provide the greatest public benefit, by planning and implementing policies that affect both private and public sectors; meeting the requirements of Federal agencies; and advancing the development of spectrally efficient technologies.

Finally, as part of the Administration's Critical Infrastructure Protection program, NTIA has assumed the lead agency role for the information and communications (I&C) sector. It is focused on protecting critical infrastructure by devising a plan that assesses the vulnerabilities of the I&C sector and identifying protection strategies.

Commerce Strategic Plan Link to the Commerce Annual Performance Plan

The Department of Commerce prepared its first Strategic Plan as required by GPRA in September 1997 and its first APP in February 1998. The three Commerce strategic themes expounded in the Commerce Strategic Plan represented the first effort with GPRA to develop “integrating themes” intended to recognize and foster crosscutting efforts in the areas of economic infrastructure, science and technology, and Commerce’s management of the Nation’s resources and assets.

The revised Commerce Strategic Plan (to be submitted to Congress by September 30, 2000) is refining the Department’s focus on strategic goals targeting its core economic mission for America. The full expression of the Department’s new strategic goals will be reflected in the FY 2002 Annual Performance Plan in February, 2001.

The strategic planning and performance management process has set in motion more active consideration and exploration of potential crosscutting and partnership arrangements among the bureaus of the Department. While this process is incremental, the FY 2001 priorities and initiatives further advance the commitment to conduct effective Commerce crosscutting efforts in a more integrated fashion.

Brief Description of Parts II, III and IV

Parts II and III of the Commerce Annual Performance Plan summarize the activities, performance, and resources for (a) each of the priorities and initiatives; and (b) each of the nine Commerce bureaus. They provide detailed information about the activities proposed for each of the crosscutting priorities and initiatives and for each of the bureaus. They also focus on the more “outcome-oriented” goals that the bureaus are trying to achieve. Included are brief descriptions of why these activities are important to the American public, how each bureau is doing in terms of performance trends, and the resources required to conduct these activities.

After the more detailed description of the Priorities and Initiatives, the bureau-by-bureau approach is organized in a similar manner and contains the following information for each bureau:

- Mission Statement*
- Goal and Performance Measure Information*
 - Rationale*
 - Performance Targets*
 - Data Validation and Verification*
 - Source*
 - Frequency*
 - Data Storage*
 - Verification*
 - Means and Strategies*
 - Crosscutting Activities*
 - External Factors*
 - Resource Requirements*
 - Funding*
 - Skills Requirements/FTEs*
 - IT Requirements*

Part IV summarizes major management challenges facing the Department, and the planned responses to each of them.

Finally, we have provided Appendices presenting background information about Commerce performance goals and measures from FY 1999, FY 2000 and FY 2001. Other information to supplement the material in the main text of this Annual Performance Plan is provided for reference.